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BEFORE THE ARIZONA CORPORATION COMMISSION

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2011 JUN 21 P 3:58

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE COMMISSION'S
GENERIC EVALUATION OF THE
REGULATORY IMPACT FROM THE USE OF
NON-TRADITIONAL FINANCING
ARRANGEMENTS BY WATER UTILITIES AND
THEIR AFFILIATES

Docket No. W-00000C-06-0149

**Notice of Filing
Maricopa City Council Resolution**

The Global Water Utilities,¹ file the attached Resolution 11-40 adopted Jun 23, 2011 by the Mayor and City Council of Maricopa, Arizona regarding pathways for use of Infrastructure Coordination and Financing Agreements (ICFAs).

RESPECTFULLY SUBMITTED this 27th day of June, 2011.

Roshka DeWulf & Patten, PLC

Arizona Corporation Commission
DOCKETED

JUN 27 2011

DOCKETED BY

By


Michael W. Patten

Timothy J. Sabo

One Arizona Center

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¹ Global Water – Palo Verde Utilities Company, Global Water – Santa Cruz Water Company; Hassayampa Utility Company, Inc., CP Water Company, Global Water – Picacho Cove Utilities Company, Global Water – Picacho Cove Water Company, Valencia Water Company – Town Division, Valencia Water Company – Greater Buckeye Division, Water Utility of Greater Tonopah, Inc., Willow Valley Water Co., Inc., Water Utility of Northern Scottsdale, Inc. and Balterra Sewer Corp.

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RESOLUTION NO. 11-40

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF MARICOPA, ARIZONA, SUPPORTING THE USE OF INFRASTRUCTURE COORDINATION AND FINANCING AGREEMENTS IN FURTHERANCE OF AN APPROACH TO TOTAL WATER MANAGEMENT AND WHEN CONDITIONED ON THE USE OF CERTAIN PATHWAYS AS ONE OF THE METHODS AVAILABLE TO GLOBAL WATER AND OTHER UTILITIES AND DEVELOPERS IN EXPANDING REGIONAL UTILITY INFRASTRUCTURE WITHIN THE CITY OF MARICOPA.

WHEREAS, Global Water Resources, Inc is a provider of water and wastewater services to the greater Maricopa area through its subsidiaries Global Water – Santa Cruz Water Company and Global Water – Palo Verde Utilities Company; and

WHEREAS, the City of Maricopa recognizes Global Water as an important strategic partner in the area's past and future development through the provision of water, wastewater, and recycled water infrastructure and operations to serve the greater Maricopa area; and

WHEREAS, in order to attract, facilitate, and manage further growth in the City of Maricopa, the City wishes to work with Global Water to provide a means by which to facilitate appropriately priced and sustainable water, wastewater, and recycled water services; and

WHEREAS, the City of Maricopa and Global Water have engaged in a series of discussions to educate each other on their respective organizational needs and challenges; and;

WHEREAS, through these discussions, the City received information from Global Water concerning Global Water's use of infrastructure coordination and financing agreements (ICFAs), and the City and Global Water mutually believe that ICFAs, when certain pathways are followed, foster consolidation of troubled water companies, enable better regional water planning, and provide a level of protection to rate-paying customers from the costs of acquisitions and infrastructure carrying costs; and

WHEREAS, the City recognizes the role Global Water's ICFAs played in the development of the City and is supportive of the use of ICFAs, with certain pathways, as a means to facilitate sound Total Water Management practices.

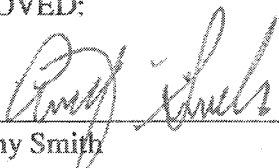
NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Maricopa, Arizona with deference to the Arizona Corporation Commission, which has regulatory authority over the ultimate rate making treatment of ICFA's, the City generally supports the use of ICFAs, when certain pathways are followed, as one of the methods available to Global Water and other utilities and developers expanding regional utility infrastructure within the City of Maricopa conditioned on the ICFAs following certain pathways:

- a. ICFA funds, reduced by normal tax effects, used to construct infrastructure shall be treated as contributions in aid of construction (CIAC) in accordance with normal industry practices.
- b. Carrying costs associated with regional infrastructure used for Total Water Management and paid for by ICFA funds shall not be an allowable cost to be passed on to the rate-payers. However, ICFA funds used for these purposes shall not be treated or imputed as CIAC.
- c. Costs associated with the purchase of undercapitalized utilities paid for from ICFA revenue shall not be an allowable cost to be passed on to the rate-payers. However, ICFA funds used for these purposes shall not be treated or imputed as CIAC.
- d. If ICFA funds are used in connection with acquisitions, all of the following shall apply:
 - i. Use of developer funds to acquire utilities shall preclude Global and any other utility from seeking a regulatory "acquisition adjustment" that increases their regulated rate base to the extent of such use of developer funds.
 - ii. The acquisition must be part of a regional plan of consolidation and conservation.
 - iii. Developer(s) shall not exercise permanent control over the utility system, management, or planning as a result of the implementation of the ICFA.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City of Maricopa believes it is in the public interest and positively impacts regional water use planning to support the use of ICFAs conditioned on certain pathways being followed and as long as the ICFAs are used consistent with this Resolution and the rules and regulations that may be imposed by the Arizona Corporation Commission.


PASSED AND ADOPTED by the Mayor and Council of the City of Maricopa, Arizona, this 23rd day of June, 2011.

APPROVED:




Anthony Smith
Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney